



# UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON

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## University of Arkansas Community College at Morrilton Foundation, Inc. Gift Acceptance Policy

This policy supersedes any previous board resolution or action concerning the acceptance, management and use of gifts.

### **UACCM Foundation's Mission:**

To provide broader opportunities and services to the University of Arkansas Community College at Morrilton's students, former students, and the residents of the College's service area by supporting and promoting increased educational, community, and cultural events.

### OVERVIEW STATEMENTS

#### 1. OVERVIEW

It is the policy of the University of Arkansas Community College at Morrilton Foundation, Inc. (Foundation) to offer donors the opportunity to make gifts to the Foundation both of cash and non-cash assets in a manner beneficial to the donor while protecting the fiscal and legal integrity of the Foundation, its overall mission, and the fiscal and legal integrity of the University of Arkansas Community College at Morrilton\* (UACCM) and their specific mission. The Foundation's first and foremost objective in receiving gifts is to fulfill the philanthropic intent of the donor.

\*Formerly known as Petit Jean Vocational Technical School, Petit Jean Technical College, and Petit Jean College.

#### 2. ETHICS IN RECEIVING GIFTS

UACCM's Development Office and the Foundation's Board of Directors will authorize the acceptance of gifts to the Foundation only where there is the following:

- Genuine philanthropic intent on the part of the donor.
- Where there has been full disclosure between the donor and the Foundation.
- Where the donor has been encouraged to seek her/his own counsel on legal and financial matters if the nature and/or size of the gift warrants such counsel.
- Where the gift is in the best interest of both parties.

The Foundation reserves the right to seek its own legal counsel in any matter concerning the negotiation, documentation and/or acceptance of gifts.

The Foundation reserves the right to seek legal counsel regarding a gift specifically when:

1. The gift is subject to any restriction.
2. The gift is governed by a legal document such as a contract or deed.
3. There is a potential conflict of interest between members of the board or staff.
4. The board needs an objective person for advice, or any other time the Foundation believes legal counsel may be necessary.

The Foundation, or any of its representatives or volunteers, are unable to provide legal or tax advice to donors. The Foundation encourages Donors to seek legal or tax advice from an independent licensed professional of their choosing before making any donation.

Because of the Foundation's administrative structure, all monies from gifts are distributed to UACCM by the Foundation Board Treasurer upon approval by the Foundation Board. All gifts are logged when they are received and placed in the appropriate account(s) for the specific directed purpose the donor wishes to support.

The Foundation and the UACCM Development Officer insure all gifts intended for specific program(s) or service(s) are not directed to other program(s) or service(s). The Foundation will never knowingly and intentionally redirect gifts intended for one program, to a different program, for any reason, without written consent from the donor(s), or their heirs. Doing otherwise would violate the trust placed in the Foundation by its donors to use their gifts in a fiscally ethical and responsible manner.

The Foundation Board does not authorize the acceptance of gifts that would jeopardize the financial, legal or moral integrity or reputation of the institution, that is a conflict of interest for the Foundation or UACCM, or where the gift would cause embarrassment to the donor or her/his family or heirs. Making a gift to the Foundation or UACCM, does not give, or imply, that individuals or legal entities who make such gifts have the authority or ability to influence, revise or alter the policies, operations or mission of the Foundation or UACCM.

All personnel employed in UACCM's Development Office to secure donations will be paid a salary or hourly wage by UACCM, and will not receive a commission that might give such personnel an undesired personal interest in any gift agreement. UACCM's Development Office will use the Code of Ethical Principles and Standards of Professional Practice established by the Association of Fundraising Professionals (AFP) to guide all actions and behavior with donors, prospective donors and volunteers.

The Foundation encourages a culture of transparency in which such individuals fully and promptly disclose all affiliations, interests, and gifts of which they are aware that might present a conflict relating to a potential transaction, or might otherwise affect their objectivity. We ask that directors bring to the attention of their colleagues, and staff members to their supervisors' attention, all personal and professional interests or affiliations that might conflict with their duty to the Foundation. In situations where conflicts are uncertain, the Foundation encourages individuals to err on the side of disclosure.

Anyone who may have a conflict of interest regarding a proposed transaction should not vote on or approve the grant or transaction. In addition, a staff member should not work on the transaction where the conflict is present and, unless asked by another director or the president, a director, an investment committee member or a staff member should not participate in formal or informal discussions of such transaction.

The Secretary will maintain a record of actions taken when there is a conflict of interest present with respect to any transaction.

### 3. CONFIDENTIALITY

All reasonable steps shall be made to keep information concerning prospective, active, inactive or lapsed donors confidential. No information shall be released to the general public who do not have a need to know without securing the prior permission of the donor. Volunteers who are active members of a fundraising/steering committee, advisory board or some other form of ad-hoc committee for the Foundation may be provided information about specific donors on a case-by-case basis. This information is provided for the purpose of educating the volunteer in preparation for communication, either in person or by some other means, with said donor or prospective donor with the intent of educating, stewarding, soliciting or thanking them.

### 4. VALUING GIFTS

Gifts (other than cash which should be valued at dollar face value) will be valued in an appropriate manner and in consonance with sound accounting principles. Full responsibility rests on the donor for claiming any deductions including filing IRS Form 8283, and any appraisals or other documentation. Full responsibility also rests on the donor for the value given to tangible personal property or services, and donors will be expected to provide the Foundation with a copy of any qualified appraisal required. The Foundation will not be responsible for appraising the value of goods and/or services provided by a donor.

### 5. RECOGNITION AND ACKNOWLEDGEMENT OF DONORS:

Gifts made to the Foundation will be acknowledged in as timely a manner as possible by the UACCM Development Office and/or a member of the Foundation Board and/or a representative of the department or program to which the gift is directed (when appropriate). The acknowledgement will provide the donor with thanks, the date on which the gift was received by the Foundation and any other information required for tax purposes.

Recognizing donors for acts of philanthropy is a way for the Foundation and UACCM to publicly honor the generosity of donors, their support of UACCM's mission and trust in the Foundation to use their gifts in a prudent, ethical and fiscally responsible manner. Gift and donor recognition can take a variety of forms, but all recognition will be in proportion to the size and nature of the gift made to the Foundation. Some examples of donor recognition include; thank you letter(s), a donor recognition wall, thank you advertisement, recognition pieces, or public recognition at an event in support of the Foundation. The Foundation will always respect the desire of donors who wish to remain anonymous in their acts of philanthropy.

Naming opportunities can be provided to donors in return for major gifts. Entire buildings, portions of buildings, rooms, campuses, endowed positions or scholarships can be named in recognition of an individual(s), or company (ies), that is responsible for making a gift, or in honor or memory of an individual(s) or entity of the donor's choosing. All naming opportunities for major gifts will be made with the permission and involvement of the donor, UACCM's development staff and chancellor's council, and the Foundation Board. All naming opportunities will require the final approval of the UACCM Board of Visitors and in the case of entire buildings will also require approval of the University of Arkansas System Board of Trustees.

Individuals whose gifts are matched by their employers will receive recognition, but will not receive individual credit for the amount matched.

## 6. UACCM FOUNDATION BOARD APPROVAL

Gifts that are consistent with the Foundation and UACCM's pre-approved practices and/or documents (or future Foundation Board approved practices and/or documents) to solicit and secure gifts and that are considered ordinary, or of little risk, will not require review of the UACCM Board of Visitors, Foundation Board or the UACCM Chancellor prior to the Foundation accepting these gifts.

Gifts that are not ordinary, pose risk to UACCM, or fall outside the parameters of gifts outlined in this policy shall require the approval of UACCM's Board of Visitors and/or Chancellor.

These gifts include, but are not limited to:

- Real Estate
- Bargain Sale
- Assets with unusual liabilities attached

The appropriate instructor, division chair, and vice-chancellor prior to the Foundation accepting these gifts must approve gifts of equipment to be used as teaching tools in UACCM's programs of study. UACCM is responsible for the depreciation and disposal of gifts of equipment once they are no longer valuable as a teaching tool.

## 7. POLICY EXCEPTIONS, AMENDMENTS AND REVIEW

### 7a. GENERAL EXCEPTIONS:

Exceptions and amendments to this policy must be approved by a majority vote by the Foundation Board.

### 7b. EXCEPTIONS FOR COMPLETED GIFTS AND GIFTS UNDER NEGOTIATION

Gifts made through estate plans that have been properly executed prior to the date of this policy, and gifts already received by the Foundation are grand-fathered in under this policy regardless of whether or not the Foundation is/is not aware of such gifts. Gifts under negotiation at the time this policy is adopted need not conform to the policy, but will be accepted based upon the spirit of this policy and the specific terms negotiated with the donor.

### 7c. REVIEW

The Foundation Board will review this policy, on an annual basis. The date for review will be in November. UACCM's Development Officer will also be responsible for reviewing this policy at least once a year. The UACCM Development Officer will present recommendations for revisions (if any) to the Foundation Board prior to their review of this policy.

## 8. AUTHORITY TO NEGOTIATE

The Foundation Board authorizes UACCM's Development Officer, Vice-chancellors, Chancellor, and other appropriate faculty/staff to negotiate gifts on behalf of the Foundation. Any stipulations, conditions and/or restrictions attached to any gift negotiated by UACCM faculty/staff must be in agreement with this policy. These gifts may still need to be approved by the Foundation Board before the gift is formally accepted, if the nature of the gift warrants such action.

### GIFT POLICY

#### 1. OVERVIEW

The Foundation welcomes gifts that support its capacity to carry out its mission. The Foundation reserves the right to seek legal and/or financial counsel before formally accepting any gift. The Foundation reserves the right to enlist the services and/or counsel of a donor advised fund organization and/or legal counsel for the negotiation, securing and management of any gift directed to the Foundation or UACCM. Indicators that a gift is acceptable include:

- The Foundation or UACCM has a use or need for the gift or, when there is no immediate need, the gift is marketable.
- The gift and its accompanying terms are legal.
- The purpose of the gift is compatible with the work, priorities and mission of the Foundation and UACCM.
- The cost required to support/sustain the gift does not diminish the value of the gift to a negligible sum.
- There does not appear to be a physical, environmental or social hazard and/or liability concern associated with the gift.

The Foundation reserves the right to decline any gift that is not consistent with its mission, the mission of UACCM, or in the best interest of the Foundation, or the donor. Gifts will not be accepted by the Foundation that:

- Violate any federal, state or municipal law;
- Create any fund with restrictive clauses that would violate the Human Rights Code, or that reserve to the donor or his/her designee the right to designate the recipient;
- Compromise the Foundation's integrity or interfere with the Foundation's institutional judgment;
- As a condition thereof, require any action on the part of the Foundation which is unacceptable to UACCM or violates UACCM's policies and regulations;
- Require or stipulate the future employment at UACCM of any specified person or doing business with any specified company or person;
- Contain unreasonable conditions;
- Are gifts of partial interest in property;
- Are financially unsound, or that would expose the Foundation or UACCM to liability or to diminishment of its reputation;

- In the case of real property, do not have clear title and/or are not up to date on all applicable taxes and fees and/or pose an environmental liability;
- Rely on an appraisal or evaluation, provided to the donor by third parties, that is perceived to be inaccurate or unreliable.

In the event that the donor's objective is incapable of fulfillment, then the Foundation shall strive to meet the most similar charitable objective that serves the same population with the approval of the donor, donor's legal representative or legal heirs.

## 2. PLEDGES:

Pledges may be payable in single or multiple installments. Multi-year pledges should not exceed 5 years. Exceptions can be made with approval from the Foundation Board with regard to pledges of major gifts, if it is in the best interests of the Foundation, the donor and the duration of the pledge of more than 5 years is the only way the gift can be made to the Foundation. Donors should complete a letter of intent or confirm the pledge in writing through a pre-approved legal instrument by which the pledge and subsequent payments will be governed. All pledge documents will contain donor and organization information, total amount of pledge, pledge payment amounts, payment schedule and purpose of pledge monies. The Foundation Board reserves the right to seek legal counsel to review all pledged major gift documents prior to accepting them. The Foundation's policy is to not pursue any unfilled pledge commitment through legal means unless UACCM's Development Officer, UACCM's Chancellor and the Foundation Board decide that special situations or circumstances involving any particular pledge would warrant such action.

## 3. SPONSORSHIPS:

Sponsorships are business agreements between the Foundation and an individual, or legal entity/company to provide in-kind services/products and/or a monetary donation in return for marketing/public exposure. Marketing for sponsors differs from donor recognition in that marketing implies the desire and intent of the Foundation to actively improve the publicly perceived image and/or general consumer awareness of sponsor(s) through advertising in return for support from sponsor(s). All sponsorships will be finalized with a dated contract signed by the sponsor, or sponsor's representative and UACCM's Development Officer.

Sponsorship contracts will clearly outline the following:

- The nature of the sponsorship and parties involved.
- Duration of sponsorship (if applicable).
- The marketing and marketing schedule and/or product placement to be provided by the Foundation on behalf of Sponsor.
- Listing of the product(s)/service(s)/monetary donation(s) made by the Sponsor, along with date and method of delivery/payment.

Sponsorships are typically associated with fundraising events organized for the Foundation, but sponsorships can also be made in support of a specific program, product or service provided by the Foundation and/or UACCM. Marketing provided by the Foundation in return for sponsorships should always be in realistic proportion to the nature and size of in-kind services/products and/or monetary

donations made by a sponsor. Donations from sponsorships and relationships between the Foundation and Sponsors will follow the guidelines laid out in this policy in the same manner and spirit as philanthropic-based gifts and relationships.

#### 4. SIGNIFICANT GIFTS:

A significant gift is considered any approved gift of cash (including checks and credit card transactions), gifts of securities (both publicly traded and closely held), real estate, personal property, intangible (intellectual) property, life insurance, gifts of retirement funds, bequests, charitable gift annuities, remainder trusts (annuity trusts or unitrusts), lead trusts, or remainder interest in a home or farm whose value or appraised value is \$100,000 or more. An approved gift of a value greater than \$25,000 is considered a major gift.

#### 5. ENDOWMENTS:

Endowed gifts will be added to a designated or new Endowment Fund and managed by an outside investment manager as selected and guided by the Foundation Board. Earnings for gift accounts will be maximized to the extent possible in keeping with sound financial management practices. Income earned on a donor's endowed gift will be used for the purpose stipulated by the donor. Occasionally, funds sought and contributed for a project or program administered by the Foundation may be insufficient to make the project or program viable. If the Foundation is unable to proceed, the donor will be invited to redirect their contributions to a similar purpose, and/or to curtail future pledged payments.

#### ASSETS ACCEPTABLE AS GIFTS

The following assets are acceptable as described, either as outright gifts, as bequests or devises (estate gifts), or when appropriate, as funding for a charitable remainder trust, gift annuity, or lead trust as determined by the Internal Revenue Code. All planned gifts are subject to approval by UACCM's development officer and outside legal counsel, with final approval from the Foundation Board. The Foundation reserves the right to secure the services of a third party for the management of any planned gift and/or endowment fund at the direction of UACCM's development officer and the Foundation Board, should the Foundation not manage such gifts itself. Professional legal counsel from a neutral third party will be required for the approval of all planned gift agreements. The Foundation shall not act as an executor (personal representative) for a donor's estate. The Foundation shall not pay for the drafting of legal documents for trusts or wills. The Foundation reserves the right to decline any gift for any reason.

##### 1. CASH

The Foundation accepts cash, checks, money orders, bank drafts and gifts via credit and debit cards (fees may apply to credit/debit card donations).

##### 2. MARKETABLE SECURITIES

The Foundation accepts gifts of publicly traded stocks and bonds. In order to expedite the transfer of funds to the appropriate account and facilitate processing, the investment department of the financial institution that manages the majority the Foundation's short term cash shall be used whenever

possible. It is the Foundation's policy to sell donated securities immediately upon completion of the donation.

### 3. INSURANCE

The Foundation may be named as a percentage or contingent beneficiary of any life insurance policy. In addition, the Foundation accepts life insurance policies for which the donor has relinquished ownership by assigning all rights, title, and interest in the policy to the Foundation. If the insurance policy is not fully paid up, the usefulness of the gift is judged on a case-by-case basis. If the policy is accepted, the Foundation may choose either to cash it in for the current surrender value or continue to pay the premium so long as the Foundation is not required to expend funds from sources other than the donor to maintain the contract.

The Foundation shall have no obligation to continue premium payments on insurance policies. Paid-up life insurance policy gifts in which the Foundation is the owner and irrevocable beneficiary are acceptable. The Foundation does not participate in charitable split dollar insurance plans.

### 4. RETIREMENT PLAN ASSETS

The Foundation may be named as a beneficiary of any retirement plan. Direct Rollovers from IRA's are also possible. Donors who are 70 and a half and older can directly roll a portion of their IRA over to the Foundation.

### 5. BEQUESTS

The Foundation receives bequests from persons who have directed in their wills and trusts that certain assets be transferred to the Foundation. The Foundation's legal name is "The University of Arkansas Community College at Morrilton Foundation, Inc.". The Foundation will accept assets transferred through bequests that have immediate value to the Foundation, or that can be liquidated. Gifts that appear to require more cost than benefit shall be discouraged or rejected. Donors who have indicated that they have made a bequest to the Foundation may, depending upon the individual situation, be asked to disclose in writing or by copy of the will or trust, the relevant clause that benefits the Foundation as evidence of their gift. This information is used for internal financial purposes and is not binding to the donor.

### 6. OTHER ASSETS AND FORMS A GIFT MAY TAKE

Other types of gifts not mentioned in this policy may be acceptable within reason for the purpose given, and in an amount appropriate for the gift type. The Foundation will use fiscally and legally sound rationale for acceptance, and will defer to the Executive Officers of the Foundation Board when appropriate. This policy should serve as a general guideline under such circumstances.

### 7. LIFE INCOME ARRANGEMENTS

The following life income agreements are acceptable when in compliance with the Internal Revenue Code at the time the gift is established, and are subject to reformation as tax laws change. The Foundation will furnish calculations and illustrations at no cost as an educational service to prospective donors.

## 7a. GIFT ANNUITIES

The State of Arkansas requires that 501(c)(3) organizations, such as the Foundation, secure a license to offer and enter into gift annuity agreements with donors. The Foundation currently has no such license and as such will not offer gift annuity services to donors unless the proper licensing is obtained. The following clause shall be used to govern future gifts of gift annuities, if such licensing is obtained by the Foundation in the State of Arkansas.

A gift annuity contract may be established for a minimum gift of \$100,000. Additions to an annuity are not permitted. Annuitants must be sixty years of age or older when payments begin. Annuities may have no more than two annuitants and no exception shall be made. A gift annuity agreement shall not be issued unless the charitable gift computed using the government tables exceeds 10% of the amount transferred for the annuity. The payout rates offered are regulated by Arkansas statutes and shall be those recommended by the American Council on Gift Annuities.

A charitable gift annuity is a contractual arrangement between the donor and the Foundation. The donor transfers money or property to the Foundation in exchange for a promise to pay an annuity to the donor(s) and/ or other named beneficiaries for a specified period of time.

The rate issued to a donor is regulated by Arkansas statutes and is currently based upon the tables recommended by the American Council on Gift Annuities. All forms of annuities must have approval from the Foundation Board before being formally accepted.

## 7b. CHARITABLE REMAINDER TRUSTS

The Foundation may accept gifts from both charitable remainder annuity trusts and charitable remainder unitrusts which are in a form substantially similar to the forms approved by the Treasury Department or are otherwise determined by the Foundation's legal counsel to be legal trusts for administration on behalf of the Foundation. The Foundation encourages the use of a Trustee suitable to the donor including banks or other appropriate institutions. The Foundation shall not act as trustee or co-trustee of a charitable remainder trust.

The Foundation encourages donors to consult their own legal counsel and tax advisors to create a charitable remainder trust. The Foundation will enlist the services of a qualified third party to act as trustee for these life income vehicles on behalf of the Foundation where the Foundation is the irrevocable remainder beneficiary.

**8. CHARITABLE LEAD TRUST:** As an educational tool, the Foundation will furnish calculations and illustrations at no cost as an educational service to prospective donors. Approval from the Foundation Board will be required for any charitable lead trust agreement.

### Charitable Lead Trust Explanation:

The charitable lead trust preserves the asset for later distribution to a donor or their designated beneficiaries while allowing the Foundation to benefit from the investment return during the time allotted. The lead trust provides a series of payments to the Foundation for a period of time, after which the property either reverts to the donor or passes to the donor's family.

There are two types of charitable lead trusts: the grantor lead trust and the more popular family lead trust. Under the grantor lead trust, the trust assets are returned to the donor at the end of the trust term. As a result, the donor is provided with a current charitable income-tax deduction for the present value of the payments the Foundation receives during the trust term.

Under the family lead trust, the assets remaining in the trust are distributed to a donor's family, usually children or grandchildren, at the end of the trust term. Through the family lead trust, a donor may significantly reduce or even eliminate transfer (gift or estate) taxes on the value of the assets funding the trust. In addition, any appreciation in the value of the assets in the family lead trust will void transfer taxes when eventually received by the family.

#### 9. TANGIBLE PERSONAL PROPERTY:

Gifts of tangible personal property are acceptable. Conditions for accepting gifts include salability or usability and current UACCM needs for the type of property offered, physical condition of the property, cost of any storage or insurance needed and any other unusual feature or condition involved in the transfer.

#### 10. BARGAIN SALES:

A bargain sale is one in which the Foundation is provided the opportunity to purchase property at less than its fair market value. The gift is usually the difference between the sale price and the market value. The Foundation Board must approve all bargain sales prior to acceptance.

#### 11. REAL ESTATE:

The Foundation Board and legal counsel must approve all real estate gifts. Gifts of real property should result in a minimum gift to the Foundation of \$25,000 if the property is in Arkansas, or \$150,000 if out of state. Gifts of real estate should be mortgage free. The Foundation shall not accept gifts of real estate with restrictions upon the ultimate sale of the property. Full interests, partial interests and remainder interests in real property are all acceptable. Remainder interests are contracts. In the case of such gifts, the donor will be expected to agree to be responsible for and to pay all property taxes, maintenance on the property, adequate insurance on the property, and utilities. Conditions for acceptance shall include salability and annual maintenance costs including evaluation of any liens against the property and any real estate taxes. Donor may be asked to sign a statement regarding liability for previous and current environmental or other conditions if the Foundation deems it appropriate. The foundation reserves the right to obtain a title search, survey, or environmental evaluation of any real property before accepting the gift. The Foundation shall not accept gifts of real property when certain conditions on the property would require future litigation to secure clear title, or large expenses to realize the benefit of the gift.

#### 12. SAVINGS BONDS:

All gifts of savings bonds must be approved by the Foundation Board prior to formal acceptance of such gifts. Such a gift must be within reason and in a sum that is appropriate for the kind of gift the donor wishes to make.

### 13. RESERVED LIFE ESTATE:

The Foundation Board must approve reserved Life Estate gifts. Reserved Life Estates will be sold immediately by the Foundation. The resulting gift from the sale of such an estate must be in excess of \$25,000 if the property is in Arkansas, or \$150,000, if out of state. Donor retains the life interest in their estate, with the remainder interest going to the Foundation. The donor gets an immediate tax deduction based upon their projected life expectancy. Gifts of real estate should be mortgage free. The Foundation shall not accept gifts of real estate with restrictions upon the ultimate sale of the property. Full interests, partial interests and remainder interests in real property are all acceptable. Remainder interests are contracts. In the case of such gifts, the donor will be expected to agree to be responsible for and to pay all property taxes, maintenance on the property, adequate insurance on the property, and utilities. Conditions for acceptance shall include salability and annual maintenance costs including evaluation of any liens against the property and any real estate taxes. Donor may be asked to sign a statement regarding liability for previous and current environmental or other conditions if the Foundation deems it appropriate.

### 14. OTHER ASSETS AND FORMS A GIFT MAY TAKE:

Other types of gifts not mentioned in this policy may be acceptable within reason for the purpose given, in an amount appropriate for the gift type and in accordance with the language and spirit of this policy. The Foundation will use fiscally and legally sound rationale for acceptance of such gifts, and will seek approval from the Foundation Board for final approval when appropriate. This policy should serve as a general guideline under such circumstances.

#### GIFT TAX ASSESSMENT

##### 1. POLICY:

An administrative fee of 5% or 10% will be assessed on all outright gift and non-governmental grants (see exemptions below) and pledge payments, made to either UACCM or the Foundation. The purpose of the fee is to strengthen the development program and partially defray administrative costs. The fee percentage may be reviewed annually. This assessment applies to all cash gifts and nongovernmental grants except as outlined by exemptions below.

A 5% assessment will be levied on all gifts and pledge payments (on pledges made subsequent to the effective date of the policy) of \$10,000 or more received either by UACCM or the Foundation. All gifts below \$10,000 – primarily those raised by the Annual Fund – will be subject to a 10% fee. Pledges made before the effective date of this policy – and their subsequent pledge payments --will not be subject to this fee. Grants for which proposals were submitted before the effective date of this policy will likewise be grandfathered.

##### 2. DISCLOSURE TO DONORS:

Gift receipts and stewardship reports will inform the donor that a portion of the gift received has been allocated to cover the cost of fundraising. Donors will receive credit for the full amount of their gifts. Deferred gifts, such as charitable gift annuities, trusts and bequests will be assessed only at the time they are realized.

Disclosure of the fee policy is made to donors on all gift receipts. Additionally, written or oral disclosure of the fee to donors is encouraged at the time of solicitation. Fee information should be included in any proposals or gift documents issued to prospective donors. Appropriate disclosure language for fund raising literature or letters of gift purposes is as follows:

*“A portion of all donations will be used to further advancement efforts on behalf of the University of Arkansas Community College at Morrilton.”*

Requests to use modified language must be directed to the UACCM Foundation for approval.

### 3. METHODS OF PAYMENT

Fees from the gift principal for all individual gifts to endowments and to current use funds will be deducted at the time the gift is transferred to UACCM. Donors may elect to provide for the fee by making an additional gift equivalent to the fee. When the terms of the gift specifically disallow fees or cost recovery, the academic unit benefiting from the gift may pay the fee from another discretionary departmental funding source, rather than the fee being deducted from the gift principal, UACCM Accounting and/or the Foundation Accountants will hold the gift in an undistributed cash account until notified in writing by the benefiting department of the account to be charged the fee.

Grants received from non-governmental sponsors, such as corporations and foundations, will be assessed as follows:

- The gift assessment fee of 5% or 10% will be applied to all awards received from foundations and other private not-for-profit sponsors, except where there are pre-existing published guidelines that prohibit it.
- All grant applications must also include the full applicable and available Facilities & Administrative (F&A) costs.
- If the assessment fee is not allowed by the sponsor, but F & A is, the fee will be deducted from the F&A granted in the award.
- If the F&A awarded is less than the assessment fee due, the entire F&A will be distributed to the Foundation and the assessment fee will be considered paid in full for that grant.
- If the assessment fee or F & A is **not** allowable **and** there are published guidelines to that effect, then the grant will not be subject to the assessment fee.

### 4. EXEMPTIONS

Fees will not be assessed on documented gift agreements, including documented pledges, executed prior to the effective date of this policy; non-cash gifts (gifts-in-kind) made to UACCM or the UACCM Foundation that are to become inventoried useable assets of the College; or membership fees.